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#### **CITY COUNCIL COMMITTEE MEETING SCHEDULE**

##### **Tuesday, Nov. 18**

Public Safety	9 am
Parks	10 <sup>30</sup> am
Executive Matters	1pm

##### **Wednesday, Nov. 19**

Budget	9am
Public Works	1pm

##### **Thursday, Nov. 20**

Zoning and Planning	9 am
Transportation	1 pm
IGA	2:30p

##### **District 3 Staff**

**Paulyne Anakalea**

Executive Secretary

**Gail Myers** Senior Advisor

**Andrew Malahoff**

Senior Legislative Aide

**Francisco Figueiredo**

Communications

**Don Aweau**

Community Affairs

## **COUNCILMEMBER IKAIKA ANDERSON DISTRICT 3 UPDATE NOVEMBER 2014**

### **PROPERTY TAX RELIEF EXTENDED UNTIL NOVEMBER 17**

Since the City began sending out its first round of 2015 Real Property Tax bills, my office has received a substantial number of phone calls and emails regarding the recently established "Residential A" property tax classification; a classification intended to separate high-value, non-owner-occupied homes from owner-occupied properties.

When the Caldwell administration originally proposed an investor classification I expressed concerns not with the underlying concept but, rather, with how it would be implemented and the potential for properties occupied by their owners to get inadvertently caught up in this classification. You may recall that several years back the Hannemann administration proposed and the Council created a similar classification – "non-homeowner". But we experienced much of the same problems with that structure as we are experiencing now: homeowners being classified as "non-homeowner". The solution, back then, was for the Council to create a compromise resolution which allowed for homeowners who had not filed for their homeowner's exemption to file within a set timeframe and have their tax liability adjusted to the "homeowner" rate. Any overpayments made were then credited towards their next tax payment. The solution was relatively simple but, in my opinion, the whole situation was completely avoidable

With this in mind I did oppose the creation of the new "Residential A" classification. Nonetheless, the classification was created and today we find ourselves in a situation very similar to that which occurred several years ago.

Budget Committee Chairwoman Ann Kobayashi is in agreement that the best solution is to go the route of a compromise for those owner-occupants whose property is currently classified as "Residential A" solely due to the absence of a homeowner's exemption. The basic concept of this compromise resolution is very simple: owner-occupants who missed filing their exemption will be given an opportunity to file their exemption and have their tax liability reduced to that of the "Residential" classification with any overpayments being applied forward to their next tax bill. Resolution 14-179, which was introduced by Council Chair Ernie Martin, was the vehicle for this compromise and was approved by the Council last August.

The original deadline to claim a compromise was September 30 but due to the number of calls and emails, it became clear that not all eligible homeowners had applied for the original compromise by the deadline. As such, I recently introduced Resolution 14-255 which, if approved by the Council next week, would extend the filing deadline for the compromise to **November 17th, 2014.**  
(continued)

If you, or someone you know, are eligible for the compromise I strongly encourage you to file for the compromise as soon as possible.

### **Maintaining Homeowner's Exemption**

Why is the homeowner's exemption so important? In addition to providing owner-occupants with consistent tax relief, the exemption is also the only way that the City can identify a property as owner-occupied. As the City faces increases challenges in meeting its revenue needs it has become clear that the majority of homeowners support placing a higher tax burden on non-owner-occupied properties first. So the homeowner's exemption is fast becoming more than just a means of direct tax relief, it also becoming a means through which owner-occupants are indirectly sheltered from future property tax increases.

The challenges that the City faced, with the implementation of the "Residential A" classification, clearly illustrated the importance of the homeowner's exemption. Unfortunately, there are a great number of homeowner's who are not aware of the homeowner's exemption and the filing process. Subsequently, they suddenly found their tax bills nearly doubling! While the Council worked quickly to provide interim relief to these homeowners structural reform, to the homeowner's exemption program, is still needed.

One of the biggest gaps is the fact that, under the current system, if you purchase a new primary residence your homeowner's exemption does not automatically transfer to the new property. You must apply for the exemption as a "new" homeowner. This creates a gap year where a homeowner, in essence, loses their homeowner's exemption simply because they had to relocate. While some may argue that this is just the price you have to pay for **choosing** to move from one home to another, we have to remember that more often than not people relocate due to circumstances beyond their control. A new job, a change in familial / marital status, termination of a long-term lease and countless other factors beyond the individual's control require relocation. Homeowners facing these situations should not be punished by gaps in the very program which is intended to protect them. The purpose of the homeowner's exemption is to provide benefit and, now, protection to our homeowner residents. Simply moving from one town to the next, or down the street, should not require one to "prove" - by waiting a year—that they are still a resident owner-occupant. Unfortunately, this is what the system currently requires.

To address this issue, I introduced Bill 57 (2014). Which, if approved, this measure would ensure that the homeowner exemption follows its owner to their new property and takes effect immediately thereby ensuring that they continue to receive the benefits and protections they are entitled to as a resident owner-occupant.

Mahalo,  
Ikaika

### **ROAD RE-PAVING UPDATES**

Very frequently, we receive calls from our constituents inquiring about the status of a road re-paving project. Earlier this year the City setup an online database that provides a listing of both current and future road repaving projects. As this list is maintained on a regular basis it is an excellent resource for anyone interested in road repaving projects anywhere on the island. Please visit the following website:

**[http://www.honolulu.gov/rep/site/ddc/ddc\\_docs/Street\\_List\\_Web\\_Layout\\_Report\\_20140909.pdf](http://www.honolulu.gov/rep/site/ddc/ddc_docs/Street_List_Web_Layout_Report_20140909.pdf)**

It is also important to remember that when the City issues a contract for an area to be repaved, the contractor has the discretion to determine the order in which roads—within the scope of their contract—will be paved. If you should have any questions regarding road repaving projects please do not hesitate to contact my office!